

From: wolff@speakeasy.crc.ricoh.com@inetgw
To: Microsoft ATR
Date: 1/23/02 1:36pm
Subject: Microsoft Settlement

Antitrust Division
U.S. Department of Justice
601 D Street NW
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Washington, DC 20530-0001

To Whom It May Concern,

As a professional research scientist in the IT field having given careful consideration and study to the terms of the proposed final judgment I must respectfully disagree with the conclusions of Department of Justice and strongly urge you not to proceed with the settlement in this form. Contrary to being an effective remedy, I believe that as currently written the proposed final judgment would strengthen Microsoft's monopoly and further damage competition.

The current proposed remedy relies on the concept of "middleware" to promote competition. By defining middleware in terms of API's and other documentation published by Microsoft, the PFJ presupposes and encourages the continuance of Microsoft's dual monopoly in operating systems and applications. As the original Finding of Fact rightly pointed out, Microsoft's monopoly stems from the market need for a critical threshold of available applications before an operating system can be accepted. Likewise developers create applications only for accepted operating systems.

The current proposal frees Microsoft to continue existing dependencies and create new dependences between applications and Microsoft's proprietary operating systems. This leaves Microsoft's monopoly power intact and unfettered. In fact, the PFJ sanctions these dependencies. For example, sections III.D. and III.E., restricts information released by those sections to be used "for the sole purpose of interoperating with a Windows Operating System Product". Thus information which could be used to create competition for operating systems is expressly denied from being used for that purpose.

By defining the basis of competition at the middleware layer, the PFJ guarantees there will be no competition. Microsoft has already shown that it is willing to sacrifice any revenue opportunities at this layer in order to protect the the revenues associated with both sides of the middleware where it holds monopolies on the operating system and application. Since no competitor has access to these revenue sources, and there is no chance of severing the dependence between applications and operating systems, there is no economic incentive for

competition to enter. Hence there will be no competition.

To be an effective solution that benefits the public interest, any settlement must break the proprietary dependence between applications and operating systems. For example, applications like Microsoft Word must be able to run on non-Microsoft operating systems. Microsoft currently prevents these applications from being used on non-Windows platforms through a variety of technical and legal means. I believe it is possible and within scope of law for the DOJ to create remedies that accomplished this goal. However the current proposed final judgment will not achieve this and in all probability will lead to continued monopolistic practices and harm to consumers and the market.

Please note that while I am an employee of Ricoh Innovations, Inc. the opinions expressed here are solely my own and not those of Ricoh Innovations, or its parent company.

Sincerely,
-Gregory J Wolff

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